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FM AMEMBASSY SANTIAGO  
TO RUEHC/SECSTATE WASHDC 0259  
INFO RHEFDIA/DIA WASHINGTON DC  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RUEAIIA/CIA WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEHAC/AMEMBASSY ASUNCION  
RUEHBO/AMEMBASSY BOGOTA  
RUEHBR/AMEMBASSY BRASILIA 0155  
RUEHBU/AMEMBASSY BUENOS AIRES  
RUEHCV/AMEMBASSY CARACAS 0088  
RUEHMN/AMEMBASSY MONTEVIDEO  
RUEHPE/AMEMBASSY LIMA  
RUEHQT/AMEMBASSY QUITO  
RUEHSG/AMEMBASSY SANTIAGO

UNCLAS SANTIAGO 001088

SIPDIS  
STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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TAGS: [ECON](#) [KMDR](#) [KPAO](#) [PGOV](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)  
SUBJECT: Santiago Nov. 13 Media Report

#### Lead Story

[11](#). Today is the beginning of the electoral propaganda period for the December 13 presidential and parliamentary election (All dailies 11/13).

#### U.S.-Related News

[12](#). With a notification to Congress, the USG authorized the sale of 100 AMRAAM missiles to Chile. With the authorization, Chile could now go ahead and buy used F-16s from Holland. In South America only Brazil and Chile have these defense systems; Peru has the Russian equivalent that it bought ten years ago. The Pentagon also authorized the sale of Sentinel and SINCARD radar systems. Defense Minister Francisco Vidal said that at this time Chile is just gathering "quotes" and the authorization does not mean it will buy the systems. Vidal also said that the final cost of an eventual purchase would be "significantly lower" than the amount authorized by the U.S. Congress. This year Chile announced it would carry out several military acquisitions, which has led to repeated accusation from Peru of engaging in an arms race (Conservative, independent La Tercera, 11/13).

[13](#). The Defense Security and Cooperation Agency notified Congress of a possible military sale to Chile for US\$665 million dollars. Defense Minister Francisco Vidal said that no decision has been made on the purchase. He also underscored that Chile is not in an arms race and cited the Agency's notification to Congress on make this point. U.S. Ambassador Paul Simons explained that the agency must notify Congress of all possible sales, noting the transparency of the system. Defense analyst Raul Sohr: "Chile is very armed, I would say over-armed and has the highest per capita military expense in Latin America. I personally see no reason for it" (Radio Cooperativa online 11/13).

[14](#). Defense Minister Vidal confirmed that the U.S. Congress had authorized the potential sale of missiles and radar systems to Chile for a maximum of US\$665 million dollars. Vidal said that the purchase is not a done deal and that the military could look for other alternatives. Vidal said the authorization would "contribute to upgrade the capability of Chile's military and its

interoperability with other countries without altering the basic military balance, because it would contribute to the foreign policy and national security of the United States by improving the security of a friendly nation -- us-- that has been and continues to be an important force for political stability and economic progress of South America" (Government-owned La Nacion, 11/13).

15. The Defense Security and Cooperation Agency notification includes Stinger missiles, Sentinel radar systems, and AMRAAM missiles that could be used to equip F-16s. Defense Minister Vidal said that the Army and Air Force need to renew anti-aircraft defense systems that have been in use for the past 40 years. He said that there is an ongoing search for these systems and that the military could eventually buy other equally competitive weapons systems. He said these acquisitions would not alter the military balance in the region and used the Agency's notification to Congress to rule out an arms race. Vial also noted that Peru bought the same type of systems years ago (Conservative, influential El Mercurio, 11/13).

#### Chile- Peru

16. An Intelligence Peruvian Air Force petty officer was arrested in Peru for spying for Chile. The officer worked for the Peruvian Embassy in Santiago in 2003 and was arrested as he tried to recruit another co-national as a spy. He faces charges for treason and if convicted could face life imprisonment (El Mercurio, 11/12).

#### Other

17. A 6.5 degree earthquake on the Reichter Scale hit northern Chile yesterday. The quake lasted 28 seconds and left 50 percent of the city of Iquique without electricity. There were no personal injuries (La Tercera, 11/13).  
SIMONS